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EXAMINER

TROTTER, SCOTT S

ART UNIT

PAPER NUMBER

3694

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/631,282

**Applicant(s)**

GAVIN, AUSTIN T.

**Examiner**

SCOTT S. TROTTER

**Art Unit**

3694

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on 26 December 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 8, 12, 14 and 20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) 8, 12, 14 and 20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SI/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Status of the Claims***

1. This action is in response to the response filed on 12/26/2007. Claims 8, 12, 14, and 20 are pending and examined. Claims 1-7, 9-11, 13, 15-19 and 21-23 are canceled.

### ***Response to Arguments***

2. Applicant's arguments filed 12/26/2007 have been fully considered but they are not persuasive.
3. Regarding municipalities and school districts while the invention background makes statements regarding their needs they are not incorporated into the actual claims. Functionally it does not make a difference that the investors are schools and municipalities so no weight can be placed on issue. But even if such details were incorporated it would probably be obvious to try this since this is common investment problem.
4. Regarding rate of return that is simply the price being paid for the use of the money. As the formulas taught by Ross explain if given the price that will be paid back for having the use of a given amount of for a set period of time the rate of return can be calculated. Therefore a rate of return is just another way of saying price when discussing borrowing or lending money.
5. Gupta is for finding the best price available for a transaction by inviting bidders that can meet a specific set of criteria to make their best priced bid for the transaction. A short term loan could actually involve far fewer details than many consumer

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purchases which can include patterns, sizes, quantities, gift wrapping, and shipping details versus how much is to be lent and when does it need to be paid back.

6. Since Applicant(s) did not seasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Mailed 08/22/2007, Paragraph No. 4, 5 and 7), the Official Notice statement(s) are taken to be admitted prior art. See MPEP §2144.03.

7. Regarding Gupta teaching receiving a signed acknowledgement the previous office action did not claim that it taught that but rather Official Notice was taken of it. As noted previously since those statements were not seasonably traversed they are taken to be admitted prior art.

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 8 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gupta (U.S. Patent 7,130,815 B1) in view of Ross (Fundamentals of Corporate Finance) and admitted prior art.

As per claim 8 Gupta teaches:

A method for municipalities and school districts to select and make an investment with financial institutions via an internet website, said method comprising:

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a) the municipalities and school districts advertising the amount and term of the investments they want to make; (*See Gupta column 2 lines 60-62.* Presenting the product being offered is advertising it to potential suppliers.)

b) the financial institutions bidding for the advertised investments during a bidding period, the bidding including indicating a rate of return; (*See Gupta column 2 lines 62-65.* The distributors submit bids including a price. Ross teaches a formula that allows the converting of the price of a fixed income security into a rate of return of that security. *See Ross the top of page 172.* The price could either be what will be paid at the end of the investment period if there are no coupons paid or the price they are willing to receive now for a fixed payment or a fixed series of payments. Regardless of which price term is being referred to the rate of return can be solved for though whether the investor wants a low price or high price depends on which term is being referred to.)

c) during the bidding period, automatically ranking bids according to rate of return;

d) during the bidding period making the ranking knowable to all bidding financial institutions; (*See Gupta 7 lines 6-8.*)

e) after the bidding period has as ended, automatically ranking bids according to rate of return; (*See Gupta column 7 lines 23-25.* Again for converting a price to a rate of return see Ross.)

f) after the bidding period has ended, the municipalities and school districts selecting at least one financial institution based at least in part on the bids; (*See Gupta column 2 lines 66-column 3 line 3*) and

g) the municipalities and school districts making the investments with the selected financial institution. (*See Gupta column 3 lines 1-3*)

While Gupta does not explicitly teach ranking the bids during the bidding it does teach providing the bids to the other bidders during the bidding and sorting the list provided to the consumer after the bidding. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to rank the bids to allow the bidder to make quick comparisons between the bids the same as the customer.

While Gupta does not explicitly teach the product being requested being an investment it is well known in the art of investing to invest funds by purchasing securities such as U.S. Treasury Bills which are normally bid on by the investor the same as purchasers on Ebay have item purchasers bidding on an item rather than purchasers considering offers to sell as contemplate in Gupta. Therefore it would have been obvious to a user of ordinary skill in the art at the time the invention was made to try investing funds by conducting a reverse auction since it is simply suppliers of investment opportunities competing for the use of the invested funds over the defined set of terms.

It would also have been obvious to a user of ordinary skill in the art at the time the invention was made to use standard finance tools such as converting prices into rates of return to allow easy comparison to other assets such as a certificate of deposit. While Gupta does not explicitly teach investing for municipalities and schools it is admitted prior art that such entities are required to make investments that meet certain

criteria. (*See the first paragraph of the State of the Art in the Background Section of this application.*) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use the efficiencies created by the reverse auction method to make investments for municipalities and school districts since they needed to make regular investments.

As per claim 14 Gupta teaches:

The method according to claim 8, wherein: said web site is a secure web site with which municipalities, school districts, and financial institutions must register to participate. (*See Gupta column 10 lines 50-51 and column 6 lines 39-41 registration is required to submit a request for bids and column 6 lines 54-56. In order for dealers to be approved the auctioneer has to be aware who they are which means they are registered as well.*)\*\*

10. Claims 12 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gupta (U.S. Patent 7,130,815 B1) in view of Ross (Fundamentals of Corporate Finance), Official Notice and admitted prior art.

As per claim 12 Gupta teaches consummating the transaction with the selected offer. (*See Gupta column 9 lines 55-59.*) Official Notice is taken that it is old and well known in the art of Internet auctioning to notify someone that they have won an Internet auction and then send them the merchandise provided they have met all the requirements such as having made payment and having the shipping details worked out. Official Notice is also taken that it is old and well known in the art of finance to require a signature when someone is borrowing money. Therefore it would have been

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obvious to a person of ordinary skill in the art at the time the invention was made to do those steps in that order to consummate the transaction since there are only six possible ways to order three steps (abc, bac, cab, cba, bca, and cba) and since it is probably dangerous from a legal standpoint to send the money before receiving something signed committing to the loan and it is hard to known to send an acknowledgement of something that has not yet been sent therefore no other order even seems possible.

As per claim 20 Gupta teaches:

A system for municipalities and school districts to select and make an investment with at least one financial institution, said system comprising: a secure server coupled to the Internet, (*See Gupta Figure 4 and column 10 lines 48-50*) said secure server including

- a) means for receiving investment information from the municipalities and school districts, said investment information including the amount and term of the investment; (*See Gupta column 2 lines 57-60*)
- b) means for advertising at least some of the investment information via the Internet; (*See Gupta column 2 lines 60-62. Presenting the product being offered is advertising it to potential suppliers.*)
- c) means for accepting bids for the advertised investment from financial institutions via the Internet during a bidding period, the bids including a rate of return; (*See Gupta column 2 lines 66-column 3 line 3*) and



d) means for displaying the bids via the Internet to the investor. (*See Gupta column 2 lines 66-column 3 line 3.*)

e) means for automatically ranking bids according to rate of return;

f) means for making the ranking knowable via the Internet to all bidding financial institutions during the bidding period; (*See Gupta 7 lines 6-8.*)

g) means for receiving a bid selection from the municipalities and school districts via the Internet; and

h) means for notifying the financial institutions via the Internet of the bid selection.

While Gupta does not explicitly teach the product being requested being an investment it is well known in the art of investing to invest funds by purchasing securities such as U.S. Treasury Bills which are normally bid on by the investor the same as purchasers on Ebay have item purchasers bidding on an item rather than purchasers considering offers to sell as contemplate in Gupta. Therefore it would have been obvious to a user of ordinary skill in the art at the time the invention was made to try investing funds by conducting a reverse auction since it is simply suppliers of investment opportunities competing for the use of the invested funds over the defined set of terms. It would also have been obvious to a user of ordinary skill in the art at the time the invention was made to use standard finance tools such as converting prices into rates of return to allow easy comparison to other assets such as certificates of deposit.

Gupta teaches consummating the transaction with the selected offer. (*See Gupta column 9 lines 55-59.*) While Gupta is not explicit about how this takes place

Official Notice is taken that it is old and well known in the art of Internet auctioning to notify someone that they have won an Internet auction and then send them the merchandise provided they have met all the requirements such as having made payment and having the shipping details worked out. Official Notice is also taken that it is old and well known in the art of finance to require a signature when someone is borrowing money. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to do those steps in that order to consummate the transaction since there are only six possible ways to order three steps (abc, bac, cab, cba, bca, and cba) and since it is probably dangerous from a legal standpoint to send the money before receiving something signed committing to the loan and it is hard to know to send an acknowledgement of something that has not yet been sent therefore no other order even seems possible. Official Notice is taken that it is old and well known in the art of finance to fax or email signed documents to complete a transaction. Official Notice is taken that it is old and well known in the art of finance to complete a financial transaction with a wire transfer. Gupta expected that one of the methods of communication between the system and consumers and sellers would be email. (See column 11 lines 30-35) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have used email, or fax to communicate between the buyer's and seller's to consummate the transaction.

***Conclusion***

11. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

12. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

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13. Any inquiry concerning this communication from the examiner should be directed to Scott S. Trotter, whose telephone number is 571-272-7366. The examiner can normally be reached on 8:30 AM – 5:00 PM, M-F.

14. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on 571-272-6712.

15. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

16. The fax phone number for the organization where this application or proceeding is assigned are as follows:

(571) 273-8300	(Official Communications; including After Final Communications labeled "BOX AF")
(571) 273-6705	(Draft Communications)

/sst/  
4/2/2008

/James P Trammell/

Supervisory Patent Examiner, Art Unit 3694